

KENTUCKY TEACHERS' RETIREMENT SYSTEM  
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES  
MARCH 18, 2013

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Tom Shelton called the KTRS Board of Trustees to order at 9:00 a.m., Monday, March 18, 2013 in the Board Room of the Kentucky Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present were:

Tom Shelton, Chair  
Ron Sanders, Vice Chair  
Hollis Gritton  
Charles Ludwig  
Barbara Sterrett  
Ruth Ann Sweazy  
Laura Zimmerman  
Charles Harman, Proxy for the Commissioner of Education

Others present were:

Gary Harbin, Kentucky Teachers' Retirement System  
Eric Wampler, Kentucky Teachers' Retirement System  
Robert Barnes, Kentucky Teachers' Retirement System  
Paul Yancey, Kentucky Teachers' Retirement System  
Kevin Carrico, Kentucky Teachers' Retirement System  
Mark Whelan, Kentucky Teachers' Retirement System  
Jane Gilbert, Kentucky Teachers' Retirement System  
Nate Van Sickle, Kentucky Teachers' Retirement System  
Felicia Penn, Kentucky Teachers' Retirement System  
Fred Hester, Kentucky Education Association-Retired  
Patti Hester, Kentucky Education Association-Retired  
Janie Caslowe, Kentucky Retired Teachers Association  
Teresa Sanders, Office of the State Budget Director

1. Reports for Consent: Chair Shelton reviewed the draft minutes of the December 17, 2012 Quarterly Meeting of the Board of Trustees and asked the Board to take action on the minutes.

Board Action: The Board considered the minutes of the Quarterly Meeting of the Board of Trustees held December 17, 2012. Upon motion duly made by Ms. Zimmerman, and seconded by Ms. Sterrett, the minutes were unanimously approved by the Board as written.

Chair Shelton reviewed the draft minutes of the December 17, 2012 Special Meeting of the Governance and Audit Committee and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Governance and Audit Committee held December 17, 2012. Upon motion duly made by Mr. Sanders, and seconded by Ms. Zimmerman, the minutes were unanimously approved by the Committee as written.

Chair Shelton reviewed the draft minutes of the December 17, 2012 Special Meeting of the Insurance Committee and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Insurance Committee held December 17, 2012. Upon motion duly made by Ms. Sweazy, and seconded by Mr. Gritton, the minutes were unanimously approved by the Committee as written.

Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits and Refunds: Mr. Wampler reported to the Board regarding benefit payments. Chair Shelton asked the Board to take action on the report of benefit payments.

Board Action: Upon motion duly made by Ms. Sterrett, and seconded by Mr. Sanders, the Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits and Refunds were unanimously approved by the Board as reported.

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended December 31, 2012. The report was informational, and the Board took no action on the Interim Financial Statements.

2. Report of the Investment Committee: Mr. Yancey reported to the Board concerning the Investment Performance for the quarter ended December 31, 2012 and the Special Meeting of the Investment Committee held February 14, 2013.

Chair Shelton asked for questions or comments. Chair Shelton asked the Board to take action on the reports by Mr. Yancey.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Mr. Ludwig, the Board voted unanimously to accept and ratify the Report of the Investment Committee.

3. Consideration of Personal Service Contracts for FY 2013-2014: Mr. Wampler reviewed the memorandum regarding the Annual Renewal of Contracts. The report concerned contracts for legal services and the external auditor.

Chair Shelton asked for questions or comments. Chair Shelton asked the Board to take action on the report regarding the Annual Renewal of Contracts for FY 2013-2014.

Board Action: Upon motion duly made by Ms. Sterrett, and seconded by Mr. Gritton, the Board approved renewal of the contracts for legal services and external auditor, as reported. Mr. Sanders abstained from voting.

4. Legislative Report: Mr. Barnes reported on the 2013 regular session of the General

Assembly. Mr. Barnes' report was informational, and the Board took no action.

Ms. Gilbert reported to the Board on updated information on the KTRS health insurance program and the KY Rx Coalition. Ms. Gilbert's report was informational, and the Board took no action.

5. Executive Secretary's Observations and Comments: Mr. Harbin reported to the Board on the KEA Nominating Committee meeting, Junita Losey Scholarship awards, KEA Delegate Assembly, recent KTRS meetings, the Pathway Project and Financial Disclosure Statements. The next regular Quarterly Meeting date is June 17, 2013.

The Executive Secretary's report was informational, and the Board took no action.

Adjournment: There being no further business to come before the Board of Trustees, and upon motion duly made by Mr. Sanders and seconded by Ms. Sterrett, and by unanimous consent of the Board, Chair Shelton declared the meeting adjourned at 10:20 a.m.

### CERTIFICATIONS

We, the Chair and the Executive Secretary of the Board of Trustees of the Kentucky Teachers' Retirement System, do certify that the Minutes of Meeting were approved by the Board on June 17, 2013.

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Tom Shelton, Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content, and legality.

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Robert B. Barnes, Deputy Executive Secretary and  
General Counsel

I, Felicia Penn, do certify that I was present at the meeting and duly recorded the actions of the Board of Trustees of the Kentucky Teachers' Retirement System at its meeting on March 18, 2013.

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Felicia Penn  
Recording Secretary